

AMENDED IN SENATE JUNE 26, 2003

AMENDED IN ASSEMBLY JUNE 2, 2003

AMENDED IN ASSEMBLY APRIL 29, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## ASSEMBLY BILL

No. 1253

Introduced by Assembly Member Bermudez

February 21, 2003

---

An act to add and repeal ~~Section 20901.2~~ *Sections 20901.2 and 20902.6* of the Government Code, relating to public employees' retirement.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1253, as amended, Bermudez. Public employees' retirement: CSU employees.

(1) The Public Employees' Retirement Law authorizes ~~the Governor, in certain circumstances, to issue an executive order granting~~ specified state employees *to receive* an additional 2 years of service credit, for purposes of calculating retirement benefits, *if the Governor, by executive order, makes specified determinations*, those employees retire within the period designated in the executive order, and ~~if~~ other conditions are met. Upon retirement, those employees receive service credit for unused sick leave, as specified.

This bill would grant specified employees of the California State University credit for an additional 2 years of service and for unused vacation or annual leave, as specified, if those employees retire within a period, to be designated by the Director of Finance, during the 2003–04 fiscal year and if other conditions are met.

(2) *The Public Employees' Retirement Law authorizes specified state employees of the judicial branch to receive an additional 2 years of service credit, for purposes of calculating retirement benefits, if the Chief Justice, by formal action, makes specified determinations, those employees retire during a designated period, and other conditions are met.*

*This bill would grant state employees of the judicial branch credit for an additional 2 years of service and for unused vacation or annual leave, as specified, if those employees retire within a period, to be designated by the Chief Justice, during the 2003-04 fiscal year and if other conditions are met.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 20901.2 is added to the Government  
2 Code, to read:

3 20901.2. (a) (1) Notwithstanding any other ~~provisions~~  
4 *provision* of this part, an additional two years of service shall be  
5 credited to state miscellaneous members employed by the  
6 California State University, if the following conditions exist:

7 (A) The member meets the service requirements of Section  
8 21060 or 21074.

9 (B) The member retires for service during the period  
10 designated by the Director of Finance, which period shall  
11 commence on a date after the effective date of this section and shall  
12 expire on a date prior to July 1, 2004. The Director of Finance shall  
13 make that designation within 15 days after the effective date of this  
14 section.

15 (2) The appointing power, as defined in Section 18524, shall  
16 offer this option to all state miscellaneous members employed by  
17 the California State University.

18 (b) In addition to the additional service credited pursuant to  
19 subdivision (a) and notwithstanding any other provision of law, a  
20 member who retires pursuant to this section shall be credited at his  
21 or her retirement with 0.004 year of service credit for each unused  
22 day of vacation or annual leave certified to the board by the  
23 Trustees of the California State University. The certification shall  
24 report only those days of unused vacation or annual leave that were

1 accrued by the member during the normal course of his or her  
2 employment. Reports of unused days of vacation or annual leave  
3 are subject to audit and retirement benefits may be adjusted if  
4 improper reporting is found. Until receipt of the certification from  
5 the trustees, the board may pay an estimated allowance pursuant  
6 to this section. At the time the certification is received, the  
7 member's retirement allowance shall be adjusted to reflect any  
8 necessary changes.

9 (c) In addition to any and all other contributions to the  
10 retirement fund, the Trustees of the California State University  
11 shall transmit to the retirement fund an amount determined by the  
12 board that is equal to the actuarial equivalent of the difference  
13 between the allowance a member described in subdivision (a)  
14 receives after the receipt of service credit under this section and the  
15 amount the member would have received without that service  
16 credit. The transfer to the retirement fund shall be made in a  
17 manner and time period acceptable to the trustees and the board.  
18 The trustees shall make the payment with respect to all eligible  
19 employees who retire pursuant to this section.

20 (d) The amount of service credit acquired under this section  
21 may not exceed the number of years intervening between the date  
22 of the member's retirement and the date the member would be  
23 required to be retired because of age.

24 (e) Any member who qualifies under this section, upon  
25 subsequent reentry to this system shall forfeit the service credit  
26 acquired under this section.

27 (f) This section is not applicable to any member otherwise  
28 eligible if the member receives any unemployment insurance  
29 payments arising out of employment with an employer subject to  
30 this part during a period extending one year beyond the ~~date of~~  
31 ~~issuance of the executive order~~ *first day of the period designated*  
32 *by the Department of Finance pursuant to subparagraph (B) of*  
33 *paragraph (1) of subdivision (a)* or if the member is not eligible  
34 to retire without the additional credit available under this section.

35 (g) The Trustees of the California State University, in order to  
36 achieve economies following the retirement of miscellaneous  
37 members pursuant to this section, may eliminate positions within  
38 the California State University, as determined by the trustees. The  
39 positions eliminated need not include the specific positions  
40 vacated by the members upon their retirement under this section.

(h) This section shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

*SEC. 2. Section 20902.6 is added to the Government Code, to read:*

*20902.6. (a) (1) Notwithstanding Section 20902.5 or any other provision of this part, an additional two years of service shall be credited to state members who are employed in an organizational unit of the judicial branch, if the following conditions exist:*

*(A) The member meets the service requirements of Section 21060 or 21074.*

*(B) The member retires for service during the period designated by the Chief Justice, which period shall commence on a date after the effective date of this section and shall expire on a date prior to July 1, 2004. The Chief Justice shall make that designation within 15 days after the effective date of this section.*

*(2) This section is applicable to all state members employed by an organizational unit of the judicial branch who satisfy the conditions of paragraph (1).*

*(b) In addition to the additional service credited pursuant to subdivision (a) and notwithstanding any other provision of law, a member who retires pursuant to this section shall be credited at his or her retirement with 0.004 year of service credit for each unused day of vacation or annual leave certified to the board by the Administrative Office of the Courts. The certification shall report only those days of unused vacation or annual leave that were accrued by the member during the normal course of his or her employment. Reports of unused days of vacation or annual leave are subject to audit and retirement benefits may be adjusted if improper reporting is found. Until receipt of the certification from the Administrative Office of the Courts, the board may pay an estimated allowance pursuant to this section. At the time the certification is received, the member's retirement allowance shall be adjusted to reflect any necessary changes.*

*(c) In addition to any and all other contributions to the retirement fund, the Administrative Office of the Courts shall transmit to the retirement fund an amount determined by the board that is equal to the actuarial equivalent of the difference between*

1 *the allowance a member described in subdivision (a) receives after*  
2 *the receipt of service credit under this section and the amount the*  
3 *member would have received without that service credit. The*  
4 *transfer to the retirement fund shall be made in a manner and time*  
5 *period acceptable to the Administrative Office of the Courts and*  
6 *the board. The Administrative Office of the Courts shall make the*  
7 *payment with respect to all eligible employees who retire pursuant*  
8 *to this section.*

9 (d) *The amount of service credit acquired under this section*  
10 *may not exceed the number of years intervening between the date*  
11 *of the member's retirement and the date the member would be*  
12 *required to be retired because of age.*

13 (e) *Any member who qualifies under this section, upon*  
14 *subsequent reentry to this system shall forfeit the service credit*  
15 *acquired under this section. Any member who qualifies under this*  
16 *section is not eligible for additional service credit under Section*  
17 *20902.5.*

18 (f) *This section is not applicable to any member otherwise*  
19 *eligible if the member receives any unemployment insurance*  
20 *payments arising out of employment with an employer subject to*  
21 *this part during a period extending one year beyond the first day*  
22 *of the period designated by the Chief Justice pursuant to*  
23 *subparagraph (B) of paragraph (1) of subdivision (a) or if the*  
24 *member is not eligible to retire without the additional credit*  
25 *available under this section.*

26 (g) *The Administrative Office of the Courts, in order to achieve*  
27 *economies following the retirement of miscellaneous members*  
28 *pursuant to this section, may eliminate positions within an*  
29 *organizational unit of the judicial branch, as determined by the*  
30 *office. The positions eliminated need not include the specific*  
31 *positions vacated by the members upon their retirement under this*  
32 *section.*

33 (h) *This section shall become inoperative on July 1, 2004, and,*  
34 *as of January 1, 2005, is repealed, unless a later enacted statute*  
35 *that is enacted before January 1, 2005, deletes or extends the dates*  
36 *on which it becomes inoperative and is repealed.*